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## **Standing Committee on Finance**

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**EVIDENCE**

**Tuesday, May 27, 2014**

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**Chair**

**Mr. James Rajotte**



## Standing Committee on Finance

Tuesday, May 27, 2014

• (1530)

[English]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order.

This is meeting 37 of the Standing Committee on Finance. The orders of the day, pursuant to the order of reference of Tuesday, April 8, 2014, are dealing with clause-by-clause study of Bill C-31, an act to implement certain provisions of the budget tabled in Parliament on February 11, 2014, and other measures.

Colleagues, as you know, we have both today and Thursday for clause by clause. My hope as chair is that we get through parts 1 to 4 today. We'll see if we can. Obviously, it will depend on members' input.

We do have a notice of motion in the name of Mr. Cullen, and he's indicated he would prefer to move that at the outset of the meeting.

Mr. Cullen, if you're ready, I'll go to you to move your motion, please.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Thank you, Chair.

This motion is connected obviously with the study that we're doing and the clause-by-clause study we're working on now with respect to the budget implementation bill. It came up through testimony, Chair, and my friends across the way will have heard this as well, that certain provisions around the temporary foreign worker program and what changes were going to be enacted within this bill....

We wanted to make this motion available. I assume there would be some interest from all sides. I'm not sure about my Liberal colleague, or Madam May who is joining us here today, but certainly there would be interest from the Conservatives to allow the minister to speak to both the changes that he has proposed through this budget implementation bill, which are new, and also some of the revisions that he has spoken about in press conferences and in question period, but more succinctly to the finance committee on what the impacts of those changes might be, to some of the concerns that have been raised by, I think it's safe to say, all sides of the House around the way the program has been conducting itself and its impact on the economy.

I don't want to take a great deal of time. This is a gauging of interest from my friends across the way. I don't know if they will have checked in with the minister's schedule yet, but that's a typical and appropriate process that we use. We wanted to give Minister

Kenney the opportunity to come before the committee at a time that's appropriate, obviously once we're done this work. That would make some sense for us. Certainly it would give him the opportunity to walk us through what changes are going to be implemented through this bill, and other changes that he's made through regulations and beyond.

[Translation]

That would be an opportunity for the minister to provide us with new information and tell us about how the program could be improved. I feel that the program is flawed, and that has serious consequences for our economy and the workers there.

Thank you very much, Mr. Chair.

**The Chair:** Thank you, Mr. Cullen.

[English]

We'll go to Mr. Saxton, please.

**Mr. Andrew Saxton (North Vancouver, CPC):** Thanks, Chair.

It's my understanding that Minister Kenney has already been before committee on this very subject, that he was there for two hours, and that both opposition parties had ample time to ask lots of questions of the minister at that time. Why would we simply duplicate and replicate what's already been done at another committee?

Chair, we cannot support this motion.

**The Chair:** Thank you, Mr. Saxton.

I'll go back to Mr. Cullen.

**Mr. Nathan Cullen:** There are a couple of things that are not replicated. One is that there are new changes that have been made in the budget implementation bill that we're dealing with right now. We assume that this week with the schedule we've adopted, Chair, there will be changes made.

Two, from our understanding, the testimony of the minister prior to this at the other committee had less to do with some of the concepts and issues that we'd be dealing with as the finance committee, particularly around the effects on wages, the effects on labour market impact, that the finance committee has particularly adhered to. While my friend across the way may feel that one session on a different part of the temporary foreign worker program has exhausted.... I would have thought that the government would have been open and encouraging of such an opportunity. I know Minister Kenney is a capable minister and can certainly handle a few questions from the opposition.

•(1535)

**The Chair:** Mr. Brison.

**Hon. Scott Brison (Kings—Hants, Lib.):** We support this motion. These provisions are part of the budget omnibus bill, the budget implementation act. Again there's an opportunity, I think, for the minister to be accountable to this committee which is responsible for the passage of these changes. As Mr. Cullen said, there's no doubt that Mr. Kenney will not be in any way, shape, or form intimidated by this committee. Certainly if the invitation were extended, he would accept it, gleefully in fact.

**The Chair:** Thank you.

Further to this, Mr. Keddy.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Mr. Chairman, I think Mr. Saxton has said it correctly. The minister has already spoken at length on this subject. The members had a chance to attend the committee he was at, if they wished to, or they could have subbed in. This is simply a matter of trying to go over something where the opposition think they have a bit of traction, and really there's no traction there. The minister has been very accountable for the changes made to the program. He has been accountable in question period.

This subject is closed, quite frankly.

**The Chair:** Thank you.

We'll move to a vote on Mr. Cullen's motion.

(Motion negatived [See *Minutes of Proceedings*])

**The Chair:** Colleagues, we will now start with clause-by-clause study.

For part 1, we'll welcome back our officials from the Department of Finance, Mr. Ted Cook and Mr. Miodrag Jovanovic.

I'll just highlight that for part 1, we have five amendments in total. We'll be dealing with clauses 2 to 31.

Pursuant to Standing Order 75(1), the consideration of clause 1, the short title, is postponed. Therefore, I shall move to clause 2.

Colleagues, as you know, the chair is supposed to do a five-minute time limit. As I've spoken to members, I prefer to be somewhat flexible on that. If we can group some clauses together in which perhaps there's agreement to go to a vote, then I'll allow members perhaps a longer time to speak to their amendments.

I do not have any amendments for clauses 2 to 26. Does anybody want to speak to any of those clauses?

Mr. Rankin.

**Mr. Murray Rankin (Victoria, NDP):** Thank you, Chair.

While the New Democrats support the intent of clause 2, for example, and the provisions—

**The Chair:** Do you want to speak to clause 2?

**Mr. Murray Rankin:** I just want to speak to clause 2. It's actually the short version of it, the tax informant program, the notion of it being an offshore tax informant program.

**The Chair:** This is discussion on clause 2, then.

**Mr. Murray Rankin:** That's correct.

(On clause 2)

**Mr. Murray Rankin:** I simply want to say that while we support it in principle and will vote for it, really, as has been said about this budget and provisions in past budgets as well, I think the appearance is much greater than the reality of doing something to address tax revenue losses. This year the amount of money in offshore tax havens has hit \$170 billion and is steadily growing. The amount of money we're losing is between \$5 billion and \$7.8 billion a year.

The notion of this being a tax informant program overstates its impact. Nevertheless, we'll support it.

**The Chair:** Thank you very much, Mr. Rankin.

[*Translation*]

Mr. Caron, did you want to discuss the same matter?

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** No, I want to talk about another provision.

[*English*]

**The Chair:** Okay.

(Clause 2 agreed to)

**The Chair:** Which clause would you like to speak to, Monsieur Caron?

**Mr. Guy Caron:** It will be clauses 24 and 25. I don't know if we can go straight to them. We have some more as well.

**The Chair:** Can I call clauses 3 to 23, or is that too many?

**Mr. Guy Caron:** No, we have others as well.

**The Chair:** Okay, just indicate which one you want to speak to.

**Mr. Guy Caron:** I think Mr. Cullen wanted to speak to a different one, if you can wait.

**The Chair:** Sure.

**Mr. Nathan Cullen:** It's clause 7, I think, the volunteer firefighter tax credit.

•(1540)

**The Chair:** Okay.

(Clauses 3 to 6 inclusive agreed to)

(On clause 7)

**Mr. Murray Rankin:** We certainly support this. We're glad to see the government adopting the idea of a volunteer firefighter tax credit. It was something the New Democrats had in their 2011 platform. It's long overdue for our brave volunteer firefighters.

We wholeheartedly support this long-overdue measure.

**The Chair:** Is there further discussion on clause 7?

**An hon. member:** Could we have a recorded vote, please, Chair?

**The Chair:** We'll have a recorded vote on clause 7.

(Clause 7 agreed to: yeas 9; nays 0)

**The Chair:** What is the next clause that members wish to discuss? Can I group any more to together?

**Mr. Nathan Cullen:** Clauses 8 through 22, perhaps.

**The Chair:** Okay.

(Clauses 8 to 22 inclusive agreed to)

**The Chair:** Can we proceed to a vote on clause 23?

Can I group any more together?

**Mr. Nathan Cullen:** We need to speak to clause 24, please.

**The Chair:** Okay.

(Clause 23 agreed to)

**The Chair:** Colleagues, I hear the bells. We have 30-minute bells. There will be a vote at about 4:10 p.m. Can I ask for unanimous consent to go until about five minutes to four?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

We will go to discussion on clause 24.

(On clause 24)

**Mr. Nathan Cullen:** Mr. Chair, this is one of those clauses.... I can only hope this is the unintended consequences version of a budget implementation act. There has been no logical economic argument offered by the government to get rid of labour-sponsored funds and the tax credit associated with them. We asked officials; we asked witnesses. The government preferred no witnesses that were able to come forward.

This was particularly advantageous to small and medium-sized businesses in Quebec. The transition out of this fund and this opportunity for venture capital makes zero sense at all, particularly with the fragile economy that my Conservative colleagues continue to talk about.

We heard from witnesses that labour-sponsored venture capital corporations and the tax credit associated with those programs were incredibly helpful and advantageous. No compromise solution has been offered up by the government; there is no other fill-in program that would offer venture capital a way into this particular market. The venture capital market, as my friend Mr. Adler would know, in Canada is at a great disadvantage to that of the U.S., for instance.

For the Conservative government to say that a venture capital program that was working, as this one was, as we heard effectively from every witness we heard from.... We didn't hear anybody saying it wasn't worth government expenditures or was a waste of time. We heard none of my Conservative colleagues speak against it either, that I can recall. It makes zero economic sense. Of course the official opposition, the New Democrats, will be voting against this clause.

Again, I find it somewhat surprising. From the testimony we heard, which was overwhelmingly compelling, this was a program that was effective, that brought venture capital money to the table, was sponsored jointly with labour, which again made sense, was a long-running program, very effective for Canadian small and medium-sized businesses, in particular.... So much for prosperity from my Conservative friends across the way.

That's what I wanted to say on the LSVCC tax credit phase-out.

**The Chair:** Monsieur Caron, and then Mr. Saxton.

[*Translation*]

**Mr. Guy Caron:** Thank you.

The committee members know how vocal I was about our position on this issue. Last year, a number of witnesses appeared before us, representing either labour-sponsored funds or private equity funds. The venture capital industry has clearly demonstrated that the contribution of labour-sponsored funds was essential to the administration of venture capital in Canada. Witnesses indicated that eliminating tax credit for labour-sponsored venture capital funds would jeopardize Canada's health in terms of venture capital, and that the effects of that elimination were being felt in Ontario.

Although Quebec is one of the main protagonists in that area, we also had a witness from Nova Scotia. It would be beneficial for that and other provinces to draw inspiration from the Quebec model in order to develop their venture capital system and improve their health in terms of venture capital. Why? Canada ranks near the bottom of the OECD countries, while Quebec is among the leaders in this area, with only the United States and Israel ahead of it.

The Conservative government decided to end this tax credit without conducting any impact studies on the level of Canadian venture capital. The officials in charge of that sector confirmed this fact. By proposing such an amendment, the government is continuing along the same path.

I appeal to the government—which will probably once again vote to phase out this credit—to reconsider its position and analyze the consequences of this action, especially if the Canadian economy and venture capital matter to it.

As my colleague said, that is why we will vote against this provision.

● (1545)

**The Chair:** Thank you.

[*English*]

Mr. Saxton, please.

**Mr. Andrew Saxton:** Mr. Chair, I don't know where my honourable colleagues were when the witnesses were here, but there were numerous witnesses who said that this particular program is no longer effective, that it's not working. In fact, it has already been eliminated by some of the provinces involved as well. I don't think Mr. Cullen was even on the committee at the time we had the witnesses, so I understand why he wouldn't have heard that.

The government recognizes the importance of venture capital, which is why we have established and implemented the venture capital action plan, for this very reason: it is more effective and more efficient at getting capital to where it is needed to promote jobs and a healthy economy.

**The Chair:** Thank you, Mr. Saxton.

Mr. Brison.

**Hon. Scott Brison:** Further to Mr. Saxton's comments, I was present, actually, during the testimony, and we did hear from several expert witnesses and members of the Canadian venture capital and private equity community who expressed the view that the VCAP, venture capital access program, is not up and running, and that, in the interim, to eliminate the labour-sponsored venture capital tax provisions is irresponsible and threatens an already precarious venture capital industry in Canada. It has a disproportionate impact in Quebec and parts of Atlantic Canada, but it affects the whole country. It's a very important part of our innovation economy. Certainly, these changes ought not occur until the VCAP is fully operable.

Further to that, I recently attended the National Venture Capital Association annual meeting here in Ottawa and spoke to members of that organization. Many of them felt that in fact the VCAP is not fully operable yet.

As such, we don't support these changes.

**The Chair:** Thank you.

[Translation]

Mr. Caron, go ahead.

**Mr. Guy Caron:** I would like to respond to Mr. Saxton's comment.

I was sitting on this committee last year and I heard the testimony. Only one witness—the person from the University of Calgary—agreed with Mr. Saxton and said that the program was not working. All the other witnesses had the opposite opinion, be it Canada's Venture Capital and Private Equity Association, the Board of Trade of Metropolitan Montreal or the Fédération des Chambres de commerce du Québec—the federation of Quebec chambers of commerce. Many companies and even government witnesses representing the information technology industry felt the same way.

They were told that the labour-sponsored venture capital funds were voluntarily proposing to invest in the government's venture capital action plan in order to double or triple the amounts invested by the government, in exchange for the government's commitment not to reduce the tax credit. The government could have benefited from over \$2 billion injected into that fund, compared with the \$350 million annual cost of the program it was planning to abolish. The government said no to that proposal.

I think that the events that occurred and the testimony heard in this committee over the course of last year and this year certainly reflect the willingness of the Canadian venture capital industry to maintain the tax credit. That is also the desire of business people and company representatives, especially in Quebec, where the industry is very strong. Even entrepreneurs from outside Quebec agree when they learn about the potential contribution of labour-sponsored funds to the Canadian economy and to the government's plan for improving venture capital.

I think the opposition's arguments do not hold up. Once again, I invite my government friends to reconsider their position in order to ensure the health of Canada's venture capital industry.

• (1550)

**The Chair:** Thank you.

[English]

Mr. Adler, and then Mr. Keddy.

**Mr. Mark Adler (York Centre, CPC):** Chair, I wasn't going to say anything on this until Mr. Cullen mentioned my name. I feel obligated to respond.

As far as the LSVCCs go, the empirical evidence is somewhat clear that these funds are underperforming and that they lag in both U.S. and Canadian indexes, so it's wrong to say uniformly that the evidence we heard today or have heard in the past was that all of the funds are performing well and that they should be retained. It wasn't a scientific sampling of what we heard. The empirical evidence is clear, that they are underperforming not only here but also in the U.S. So there is a reason for their being changed in the way they are.

I thought I would clarify that for Mr. Cullen.

**A voice:** I'm glad you did.

**The Chair:** Thank you.

Mr. Keddy.

**Mr. Gerald Keddy:** Mr. Chairman, since we are taking our time here and everyone is going to have their say, I'll have mine as well.

I agree exactly with what Mr. Adler said. What is interesting here is this is all about tactics. The opposition parties want to vote on single items so they can vote for them at committee and then vote against them later on when the bill comes to Parliament. It's fairly obvious.

If you take that train of thought and those tactics, then you take paragraph (a) in clause 24, which provides that a corporation may not issue shares that are eligible for tax credits on or after the day that it notifies the minister that it intends to revoke its registration, what they are essentially saying is that the corporations that have notified the minister that they are revoking their registration should still be able to get the tax credit. I can't support that. However, somehow they have squared that circle.

**The Chair:** I sense that neither side is going to convince the other. I'm just putting that out there.

**Mr. Nathan Cullen:** Hope springs eternal, Mr. Chair.

I think we almost had Mark.

**Mr. Gerald Keddy:** The eternal optimist.

**The Chair:** I'll give a little hint to members that if they don't want to keep the debate going, don't poke the other side. That's just my sense.

Monsieur Caron.

[Translation]

**Mr. Guy Caron:** I hope to finish with this, but I will first respond to Mr. Adler.

Empirical evidence is lacking. A study was carried out by someone from Calgary on the way the funds work in Quebec, in particular. I understand the Quebec venture capital industry. Representatives of labour-sponsored funds clearly said that, at the time, Mr. Mintz had not understood several parameters and aspects of labour-sponsored funds' implication in venture capital.

A conclusion cannot be made based on a single study, especially since other testimony has confirmed the programs' success. There are reasons why, in some cases, the funds cannot be as high as private venture capital funds. It should also not be forgotten that this is a savings vehicle for Quebecers and that it helped Quebec—which ranked last in terms of personal savings—become a solid performer in that area. That should not be forgotten.

To respond to Mr. Keddy, I would like to specify that, if the government was open to separating the provisions so that they would be voted on individually, we would vote the same way in the House as here, in committee. That way, we could vote in favour of good provisions—which some of them clearly are—and everyone would be happy.

**The Chair:** Thank you.

[*English*]

Mr. Saxton.

**Mr. Andrew Saxton:** Chair, I don't expect my colleagues in the opposition to take my word for it, but perhaps they could take the word of the Organisation for Economic Co-operation and Development, the OECD, which says that these LSVCCs are not working to promote economic growth and jobs.

In fact, it went on to say, "The LSVCCs have distorted the market for venture capital, lowering the average quality of deals and limiting the supply of equity to non-traditional industries and newer companies." As well, it said, "...the governance structure of LSVCCs leads to less-skilled fund managers and poorer fund performance." Finally, it said, "Overall, the damaging effects of the LSVCC tax credits on the financing of innovation along with their fiscal costs present a clear argument for their elimination."

That is from the 2006 OECD economic survey.

• (1555)

**The Chair:** Thank you, Mr. Saxton.

Mr. Brison, and then Monsieur Caron.

**Hon. Scott Brison:** Just to follow on Mr. Saxton's evidence from the OECD, he's asking us to consider that evidence. I'm wondering whether he would consider the OECD evidence that the CPP is sustainable without raising the eligibility age of the OAS from 65 to 67.

**The Chair:** Well, we'll get to that when we debate the CPP.

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron:** As for the OECD study, I want to point out that apples and oranges are being compared. I have seen this study. Once again, the study did not specifically focus on the Quebec reality, which has been a success. Currently, the Quebec labour-sponsored venture capital funds account for 90% of the country's venture capital funds. However, the people who carried out the study did not look at the issue specifically through the lens of the Quebec reality.

In fact, if the tax credit was indeed harmful to private venture capital funds, why did the representatives of Canada's Venture Capital and Equity Association appear before us and talk about the willingness, desire and need to save labour-sponsored funds? The

two types of funds are not mutually exclusive. They work together and they are complementary. If the reality on the ground was such as described by the OECD, the association that represents the majority of private venture capital companies would not come here to plead the case of that tax credit intended for labour-sponsored funds.

**The Chair:** Thank you.

[*English*]

I'll call the question, then.

**An hon. member:** We'd like a recorded vote.

(Clause 24 agreed to: yeas 5; nays 4)

**The Chair:** Colleagues, I will suspend the meeting at this time. We'll go to the House and vote. Please do come back as quickly as possible.

We will resume with clause 25.

Thank you.

• (1555)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1635)

**The Chair:** I call the meeting back to order. This is meeting number 37 of the Standing Committee on Finance. We are dealing with Bill C-31.

Colleagues, we dealt last with clause 24. We have an amendment on clause 27. Is there any discussion on clauses 25 or 26?

**Mr. Guy Caron:** Let us have a recorded vote.

**The Chair:** You want a recorded vote on which one?

**Mr. Guy Caron:** It's on clause 25.

**The Chair:** Okay, there will be a recorded vote on clause 25.

(Clause 25 agreed to: yeas 5; nays 3)

(Clause 26 agreed to)

(On clause 27)

**The Chair:** We have our first amendment, which is amendment NDP-1.

Who will speak to amendment NDP-1?

Mr. Rankin.

**Mr. Murray Rankin:** Chair, the purpose of proposed amendment NDP-1 is to delete reference to new penalties under the FATCA intergovernmental agreement implementation. Clause 27 makes failure to comply with new section 267 an offence punishable by summary conviction. Obviously, we're not in favour, because we don't like the imposition of FATCA, as you'll hear when we get to those provisions.

That's what we're talking about. We're moving to strike the reference to new section 267 from clause 27 so that it is not an offence to not comply with this FATCA implementation measure.

**The Chair:** Thank you.

Is there further discussion?

Mr. Saxton.

**Mr. Andrew Saxton:** Chair, we can't support the NDP's amendment to clause 27. This amendment would prevent an existing provision, which generally makes it an offence not to keep and retain records required for income tax purposes, from applying to financial institutions in respect of new part XVIII of the Income Tax Act.

Part XVIII gives effect to the Canada-U.S. Enhanced Tax Information Exchange Agreement. This offence applies in respect of the general record-keeping requirements in the act, and therefore it should also apply in respect of the record-keeping obligations of financial institutions under part XVIII.

**The Chair:** Thank you.

We'll go back to Mr. Rankin.

**Mr. Murray Rankin:** We understand the logic of what Mr. Saxton has said, but of course, this all revolves around our opposition to including the FATCA provisions in this so-called budget act, and we'll come to those provisions later.

This essentially is consequential to our opposition to that part of the budget implementation act, so we stand by the position we have articulated in our amendment.

We would seek a recorded vote on this measure.

● (1640)

**The Chair:** Okay, we'll have a recorded vote on amendment NDP-1.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

We will move to the question on clause 27.

**Mr. Guy Caron:** I call for a recorded vote.

**The Chair:** We could always pass some on division. That's just a suggestion. It's an option.

**Mr. Nathan Cullen:** Where's the fun in that?

**The Chair:** Okay, it's a recorded vote .

(Clause 27 agreed to: yeas 5; nays 4)

(On clause 28)

**The Chair:** We have two amendments.

We have amendment NDP-2. I'll ask someone from the NDP to address that.

We'll go to Mr. Rankin.

**Mr. Murray Rankin:** This is a clause that has been the subject of enormous debate in the media and of course with the Privacy Commissioner of Canada talking to us and testifying before this committee. The notion of warrantless disclosure of taxpayer information to police under this sweeping set of circumstances is something that we utterly oppose.

The purpose, therefore, of our amendment would be to introduce court oversight of information that is turned over to the police. This,

of course, is the Canadian way. This is reflected in countless statutes, in the Income Tax Act and in a variety of other measures.

First of all, we certainly support cracking down on corruption and terrorist financing, but this is way beyond that. It would of course apply to anyone suspected of any offence with a mandatory minimum, and there is a very long list, since the Conservatives came to power, of offences with mandatory minimums.

We have proposed this amendment to provide court oversight of those transfers to ensure that these powers are not abused.

**The Chair:** Thank you very much, Mr. Rankin.

I'll go to Mr. Keddy, please.

**Mr. Gerald Keddy:** Mr. Chairman, I'm a little surprised by the NDP motion, quite frankly. It's obvious that they have not read the clause nor really looked at their amendment.

What the clause actually does is it allows an official with information that may afford evidence of a serious offence to submit that information to a Federal Court judge, not to police forces.

So I'm a little bit surprised.

**The Chair:** Thank you.

Mr. Rankin.

**Mr. Murray Rankin:** Well, it's certainly not how we read the clause, nor is it how the Privacy Commissioner read the clause.

As I understand it, it says that an official may provide law enforcement information to police organizations on a variety of offences. I see no reference to the courts in this provision. That is of course the basis of her concern. Editorials across the land have stated very powerfully the reason this is out of sync with Canadian privacy laws and indeed the Constitution.

It's only a matter of time before it's struck down. Let's do the right thing here.

**The Chair:** Thank you.

We'll go back to Mr. Keddy, please.

**Mr. Gerald Keddy:** The issue here is really quite simple, Mr. Chairman. When CRA officials uncover evidence of serious criminal activity, they should be able to share it with law enforcement. We have to find a mechanism to do that. That's what I think all the Canadian public expects. There have been occasions when CRA officials in the course of ordinary duties have uncovered evidence of drug trafficking, of child pornography, of contracts for the commission of murder, and have been restricted from conveying that information to law enforcement.

Contrary to what they're saying, the police will not be able to direct the CRA. CRA will turn information over for a serious crime to the police department, which is only proper.

● (1645)

**The Chair:** Thank you.



The chair has to recognize the speakers.

We'll go to Mr. Brison first, please.

**Hon. Scott Brison:** To Mr. Keddy's point, CRA would still be able to provide the information to police, if a judge felt it were warranted. This is the point at which we have placed the safeguard currently. We would recommend maintaining a safeguard that would require a judge's engagement, a warrant.

**The Chair:** Thank you.

Mr. Rankin, please.

**Mr. Murray Rankin:** Yes, we agree.

Mr. Keddy talked about serious criminal activity identified by the CRA. Of course, that begs the question who the CRA are to know what is a crime. The whole purpose of the safeguards in the Constitution is to require our judges, as independent officers, to assess whether or not there are appropriate grounds for that to occur. To simply say that a CRA official in some office somewhere in the land could say, "Ah, I see a crime; I think I'll tell the cops about it", is outrageous, and that is why all the editorials across the land have said it.

It's not contrary to what others are saying; it's what the Privacy Commissioner has told us is, in her opinion, a problem. I just don't understand why we would break with our Canadian traditions in such an obvious way.

**The Chair:** Thank you.

We'll go back to Mr. Brison.

**Hon. Scott Brison:** Further to Mr. Rankin's point, if in fact it is not even clear that CRA has within itself a governance mechanism to deal with this, who would make that determination? At what level within the public service would the authority be vested to make that decision to engage the RCMP or police directly in a file due to suspected criminal activity? It's a very dangerous decision, empowering the CRA in a way that I don't even believe the CRA would welcome.

**The Chair:** Thank you.

We'll go back to Mr. Keddy.

**Mr. Gerald Keddy:** This is probably not the final word, but it will be the final word from me on this, Mr. Chairman.

Let's be clear. Section 241 of the act prohibits the use of communication of taxpayer information except as otherwise permitted in that section and other certain provisions of the act. Clause 28 will allow CRA officials to pass over information that they have not been allowed to pass over before only when it's dealing with a serious crime—nothing more and nothing less. You can try to make this into something that it's not, but this is for serious crimes only to be passed over to a law enforcement agency.

**The Chair:** Thank you.

Do you want to keep the debate going?

Mr. Brison.

**Hon. Scott Brison:** Well, we may agree on what would constitute a serious crime, but can Mr. Keddy define what threshold or trigger would provide enough evidence that it ought to be turned over to the

police? Who makes that determination within the CRA? Those are important questions. That's why a judge and a warrant is a tested and true approach to this.

**The Chair:** Is there further discussion?

We'll go to the vote on amendment NDP-2.

**An hon. member:** I ask for a recorded vote.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

**The Chair:** Now we have Green Party amendment 0.1. I'm not sure why it's "0.1"—

**A voice:** Because we have—

**The Chair:** Okay. I get it.

Colleagues, it has been our practice at this committee that while we have the five-minute time limit for other parties, we allow Ms. May one minute to present her amendment. Is that agreeable?

**Some hon. members:** Agreed.

**The Chair:** Thank you.

● (1650)

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Thank you, Mr. Chair.

I'm here pursuant to something that should be agreeable to members, since it was a resolution and motion passed by the committee that summons me here, as opposed to having the rights I used to have at report stage to provide substantive amendments. I'm in your hands and I have my minute.

In this case, I'm presenting an amendment that is somewhat similar, certainly similar in intent if not in wording, to what you just defeated in amendment NDP-2. Let me try to put forward the reasons.

Very clearly, the committee had evidence before it, particularly from tax law expert Stéphane Eljarrat, who pointed out that it's very important to have this requirement for a judge's permission before the CRA staff reaches out to police. There is a real risk here, both for the CRA as an authority.... As he pointed out, their role as an authority is both to "ensure that taxes are paid in a civil manner and that they can also result in criminal prosecutions in the case of tax evasion". It's critical, in other words, that we involve the judiciary.

To those who are worried about not getting evidence of tax fraud into the hands of police, I would say that I think it's really important to get evidence of tax fraud to the police. I don't want to go over my time, Mr. Chair; I just want to remind everybody that Al Capone, who was a multiple murderer and famous crook, was caught for tax evasion. The way to get at that is to have forensic accounting staff on the police forces of Canada, as they do in other nations.

**The Chair:** Thank you very much, Ms. May.

Is there further discussion on this amendment?

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 28 agreed to)

(Clauses 29 and 30 agreed to on division)

(On clause 31)

**The Chair:** Colleagues, we have two amendments here, NDP-3 and LIB-1. My understanding is that we received NDP-3 first and that if NDP-3 is moved, LIB-1 cannot be proceeded with, as they are identical.

As we received amendment NDP-3 first, we will deal with NDP-3 first.

Mr. Cullen.

**Mr. Nathan Cullen:** We've had some conversation about this, and this might be a rare moment when we maybe get to see something done.

This is something that comes from that radical group the Certified General Accountants Association of Canada; you know that bunch.

**An hon. member:** I am one.

**Mr. Nathan Cullen:** Uh, oh; there's one amongst us, Chair, there's one amongst us.

I know that Mr. Allen has an alternative strategy that we find some similarity with and that we'll seek to support, but this is taken directly from those who deal with this type of frustration of so many outstanding tax changes that don't get listed. I know the chair is familiar with this issue as well. It causes a huge impediment to Canadian business. It's very frustrating, cumbersome, and extraordinarily expensive, the process that we have right now. Massive omnibus bills come forward every decade that are hundreds and hundreds of pages long, overly complex, and the changes that are implemented by government are not kept current. Those who do the taxes for Canadians, both personal and business, find it incredibly cumbersome.

What we've suggested is something that we see as very reasonable, coming from such a reasonable and wise group as the CGA, and something that would find support from others. I don't know if Mr. Allen wants to speak to the concerns he has with our particular version of the amendment, but we think this is something that would certainly help out small and medium-sized businesses quite a bit. It would lower the tax costs for Canadians in terms of filing their taxes and what that means to businesses, because that's often direct revenue lost off the bottom line.

I'll leave it at that. I'm not sure if Mr. Brison wants to add to that as well.

**The Chair:** Thank you, Mr. Cullen.

I have Mr. Allen on the list.

•(1655)

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Mr. Chair, I thank Mr. Cullen. I've had discussions with him and with Mr. Brison as well.

There are a number of concerns with regard to unlegislated tax measures. As was correctly pointed out, there was a 983-page bill just two years ago that was a catch-up of over 10 years. As originally proposed in the budget bill, the wording was talked about for the tabling of these unlegislated tax measures. What was talked about was this: "that the Government publicly announced after the last general election and before April 1 of the fiscal year preceding the particular fiscal year".

As the CGA association correctly pointed out in regard to what that wording did, the government of the day, even though it could be the same party between sessions of Parliament, basically would only be responsible for the unlegislated measures of their particular term, as opposed to the maybe hundreds of them that are out there now and are actually being administered by the CRA in spite of not being legislated.

The amendment that was proposed by CGA Canada, which would have struck out six words—"after the last general election and"—making it so that the government would publicly announce before April 1 of the preceding fiscal year, would allow for all those unlegislated measures to be picked up. I'm definitely in support of that measure in there. The other side of this, too, is that when the government turns over, I think it's also important for us to recognize one other concept, which is that it may take time to get up to speed on what some of those unlegislated measures were before. My concern was that maybe we should also have a provision in there that would allow the government to get up to speed, and they could have at least one year to table their first report of a new government.

What that would mean, Mr. Chair, is that we would be facing, under amendment, if approved, a full list of unlegislated measures this fall and during the election year we wouldn't, but then one year immediately after we'd have a full report again. If the opposition parties are open to this idea and proceed to withdraw their proposed amendments, I would propose to table an amendment, which I'm prepared to circulate in both official languages, that would capture both those aspects.

One is the spirit of intent and the actual wording of the NDP and Liberal motions. It would also add, "The obligation to table does not apply in respect of a particular fiscal year if...there are no specific legislative proposals to be included in the list referred to in subsection (2); or...the fifth day on which the House of Commons is sitting after October 31 of the particular fiscal year is less than 12 months after the last general election."

If the opposition parties were open to withdrawing their amendments, and I thank them for their efforts in their amendments, it's in that spirit that I would add this section. I would table this for discussion.

**The Chair:** Thank you, Mr. Allen.

I have Mr. Brison on the list.

Do the other members of the committee have that prospective amendment?

Mr. Allen, if we can get this passed around... We won't consider that amendment and we'll have the legislative clerks look at it as well.

**Voices:** Agreed.

**The Chair:** Okay. We'll go to Mr. Brison.

**Hon. Scott Brison:** On this, our amendment proposes to do the same as the NDP amendment. There's no reason that we can't vote on the NDP amendment and then carry on from there.

We recognize, in consultation with stakeholders, that we could live with the Conservative amendment as well, and we appreciate the consideration for the next government as well.

It's very generous, in fact, in understanding the challenges of coming into government and dealing with those issues early on. We'll remember that very fondly and respectfully as well. The transition team will certainly recognize Mr. Allen and his colleagues.

**Voices:** Oh, oh!

**An hon. member:** Do you think there's an appointment for them?

**Hon. Scott Brison:** Turks and Caicos.

**Voices:** Oh, oh!

**The Chair:** Thank you.

We'll go back to Mr. Cullen, please.

**Mr. Nathan Cullen:** Chair, I think we might have insufficient copies for all members. It puts certain members at a disservice if they don't have the actual amendment that we may be voting on. Why don't we just stand this for a minute and move on to the next clause, if that works for you? That's just because typically in committees—I don't know if the chair has seen it himself—there's a discomfort if people have to vote on something they haven't seen yet.

• (1700)

**The Chair:** Do you want to table this for now?

**Mr. Nathan Cullen:** Yes. I'm not talking about a long delay; maybe a few minutes until the copies come back.

**The Chair:** Okay.

Let's table it until the end of part 1 then.

(Clause 31 allowed to stand)

**The Chair:** Colleagues, I don't have amendments for clauses 32 to 39.

If there are any clauses that members wish to speak to, could they identify them?

**Mr. Nathan Cullen:** I wouldn't mind breaking up the votes a little bit.

We could do clauses 32 through 34, seek out a vote on 35, and then continue with clauses 36 through 49, if that works for you, Chair.

**The Chair:** Okay, perfect.

(Clauses 32 to 34 inclusive agreed to)

**The Chair:** Do you want a recorded vote on clause 35?

**Mr. Nathan Cullen:** Please.

**The Chair:** We'll have a recorded vote on clause 35.

(Clause 35 agreed to: yeas 6; nays 3)

(Clauses 36 to 39 inclusive agreed to)

**The Chair:** Do colleagues want a little more time on the issue with the NDP amendment, or are we ready to return to that?

**Mr. Nathan Cullen:** I think we can return to it.

**The Chair:** Okay. We'll go back to NDP-3.

(On clause 31)

**Mr. Nathan Cullen:** There might be just one more comment to add from me, and I think Mr. Allen as well, before we go to the vote.

Did you want to go ahead, Mike?

**The Chair:** Mr. Allen, do you want to speak further on this?

**Mr. Mike Allen:** Yes. I would just like some procedural guidance on this from you, Mr. Chair.

There are a couple of ways this could play out. Number one is the withdrawal of the two amendments, and then we table this one as the amendment. I guess if we're going to go to one of the others and vote on the NDP one, then I think procedurally I would have to table or put it as a subamendment for the second half of that change.

Do we have to do a subamendment, or is it a separate amendment? I defer to your guidance on how we handle that.

**The Chair:** I guess what we need clarity on is whether the NDP and the Liberals still wish to move either one of their amendments.

**Mr. Nathan Cullen:** I think we do, but certainly we don't want to interrupt the larger effort. We see Mr. Allen's amendment as an improvement. We're biased, so it's not as good as the one we wanted, and we wouldn't mind having that vote, if possible, but we don't want to sabotage the larger effort. So if that is what's at stake... I didn't hear the entire advice that you got, Chair.

Perhaps we could move the NDP amendment, see it moved through, and if it's defeated, so be it. If that still allows Mr. Allen to move his amendment, then we're fine with that process to go ahead.

Does that work? I think that's the way we have to do it. Well, we could do it the other way, but we wouldn't mind seeing a vote on ours.

**The Chair:** The option, too, on the prospective amendment by Mr. Allen, is that he could amend the NDP amendment with (b). That's one option.

**Mr. Nathan Cullen:** That would work as well.

**The Chair:** Mr. Allen, why don't you move (b); I suspect the committee would be favourable to that.

**Mr. Mike Allen:** Yes, I think we will move part (b).

The subamendment to the first one would amend clause 31 by replacing lines 6 to 9 on page 25 with the following:

Exception

- (4) The obligation to table does not apply in respect of a particular fiscal year if
- (a) there are no specific legislative proposals to be included in the list referred to in subsection (2); or
  - (b) the fifth day on which the House of Commons is sitting after October 31 of the particular fiscal year is less than 12 months after the last general election.

(Subamendment agreed to)

•(1705)

**The Chair:** Now we'll vote on amendment NDP-3, as amended.

(Amendment as amended agreed to)

**Mr. Nathan Cullen:** Are you all right, Andrew? Andrew pulled a muscle there.

**The Chair:** Okay, the NDP has amended a budget bill.

**Mr. Nathan Cullen:** There's the headline for the finance section of tomorrow's *Globe and Mail*.

**The Chair:** The vote is on clause 31 as amended.

(Clause 31 as amended agreed to)

**The Chair:** We've dealt with part 1. I want to thank our officials for part 1.

We'll call the officials for part 2.

Colleagues, regarding part 2, amendments to the Excise Tax Act, (GST/HST measures), I have no amendments for clauses 40 to 49. Can I group them together?

**Some hon. members:** Agreed.

(Clauses 40 to 49 inclusive agreed to)

(On clause 50)

**The Chair:** On clause 50, we have amendment NDP-4.

Can I have someone speak to amendment NDP-4?

Mr. Rankin.

**Mr. Murray Rankin:** Chair, amendment NDP-4 is virtually identical, certainly in intent and perhaps in text, to what we had moved in the context of one that was defeated just a moment ago. That is the same provision that we dealt with on warrantless disclosure of taxpayer information in clause 28, which was defeated.

The language is very, very similar. Once again, it would allow an official to provide a law enforcement officer with this information with absolutely no court oversight. Our concern is the same here as it was there, and indeed, I should foreshadow that we have another one with the same intent later, Mr. Chair.

We don't know who this official is. The term is not defined. It could be anybody. I guess it could be somebody who's working temporarily in some regional office of the CRA some night, giving the police some information which this person, who has no law training and no knowledge of criminal law, considers to be a serious offence of some sort, providing confidential taxpayer information for that purpose. It is so contrary to the way we do business in Canada that people are lining up to take a run at this in court. It seems so unnecessary and so contrary to our traditions to proceed in this way that we make the same amendment with the same goal to defeat this, really, un-Canadian approach that the government is taking.

Conservatives have really stepped out on this one. It's not the way we've done business in Canada. It's an infringement of civil liberties. That's why so many people across the country and our Privacy Commissioner have blown the whistle on this.

**The Chair:** Is there any further discussion?

Mr. Keddy.

**Mr. Gerald Keddy:** Mr. Chairman, we have to keep things in perspective here. This is not an infringement of civil liberties. When a criminal offence has been committed, it brings that criminal offence to light and allows the police to take charge and intervene and lay charges.

To say that this is some type of nefarious piece of legislation that allows highly trained civil servants, whether they be CRA officials or police officials, to run amok is simply not fair to what this clause does.

**The Chair:** Is there anything further on this?

Mr. Cullen.

**Mr. Nathan Cullen:** We don't often get to use our officials, so let's do that.

Regarding the constitutional checks, one of the questions we're raising here is around that balance between preserving the rights of the individual and protecting Canadians writ large.

Mr. Cook, you're nodding your head, so I may put the question to you for no other reason than that you're nodding your head.

**Mr. Ted Cook (Senior Legislative Chief, Tax Legislation Division, Tax Policy Branch, Department of Finance):** I understand the question.

**Mr. Nathan Cullen:** Do you understand the discussion we're trying to have here in terms of that balance and the definition, as Mr. Rankin has talked about, of that potential of infringement and the potential of future court cases? Has the government gone through what you used to call a charter test, seeking out advice from Justice in terms of the percentage of—it's always done by a percentage—hopefulness in defending it against a charter challenge?

•(1710)

**Mr. Ted Cook:** I'll respond by making a couple of comments.

First, in respect of your specific question—and I think the answer is generally the same as the one that's been provided with respect to a similar question regarding part 5—in terms of constitutionality, according to section 4.1 of the Department of Justice Act, the Minister of Justice shall examine every bill “in order to ascertain whether any of the provisions” of the bill “are inconsistent with the purposes and provisions of the Canadian Charter of Rights and Freedoms”. That obligation has been discharged in respect of this bill.

**Mr. Nathan Cullen:** If I may, sir.... Sorry.

There was a specific test that has been suggested; there's always a percentage used. As for my specific question, I appreciate what you're saying in terms of the process that gets used. The government typically seeks a percentage chance; that's the advice from the department that comes back. Was there any on this particular issue that was sought? Was there a deemed percentage that was given back from the Department of Justice?

**The Chair:** Mr. Cook.

**Mr. Ted Cook:** Well, in response to that, I'm prohibited from discussing any legal opinions or legal advice that the department may or may not have received in respect of any provisions. It's just something I'm not capable of speaking to. I guess what I was thinking—

**The Chair:** Did you want to finish your point?

**Mr. Ted Cook:** Well, it's just that if it would be useful to the committee, I can talk a bit about the CRA process.

**The Chair:** Okay.

Do you want to hear that?

**Mr. Nathan Cullen:** We had a specific question that Mr. Rankin raised around what deemed official would be the one citing this and the training capacity or professional ability to deem that an offence has been taking place.

**Mr. Ted Cook:** In terms of the process, the CRA has their criminal investigations program, which is responsible for conducting investigations in respect of tax-related offences, and they'll work closely with the RCMP.

In terms of the serious offences evidence, in talking to the CRA, evidence of those offences almost always arises in the context of a criminal investigations program investigation, most commonly in the context of a search and seizure. Those are actually done by way of search warrants. What happens is that the criminal investigations program approaches a justice of the peace and demonstrates reasonable grounds to believe that a tax offence has been committed. The justice of the peace will issue a search warrant. Then the CRA will go to the search location with the RCMP. The RCMP accompanies them in order to ensure the safety of the CRA officials.

If, for example, the RCMP sees illegal firearms or drugs at the search location, they may be seized immediately. What most commonly happens is that the CRA will search on site. They'll look at the computers there, and if they have evidence that relates to the offence for which the search warrant has been obtained, then the CRA will be able to seize the computers. When they return to the CRA base, they'll search, and that may provide—

**Mr. Nathan Cullen:** Thank you. Just for brevity, let me focus on the question a little bit better.

You've described a scenario in which the RCMP is doing a potential criminal investigation and the CRA tags along. Under the changes in this bill, is that the only way this can happen? Is there another scenario in which the CRA, of its own volition, can initiate some response without that warrant process that you just talked about in the scenario you've described?

**Mr. Ted Cook:** It's possible. The CRA is implementing an agency-wide mandate, that before any information will be provided, what will happen is that it will go to the criminal investigations program. It will be provided to the headquarters of the criminal investigations program. They are used to dealing with the Criminal Code and things like that and will make an evaluation of that evidence. If it satisfies the requirement of reasonable grounds to believe, then at that point it may be provided almost entirely to the RCMP.

**The Chair:** Thank you.

Mr. Rankin.

**Mr. Murray Rankin:** Mr. Cook, as you perhaps heard when I was speaking to my amendment, I talked about the section that says an "official may provide to...an appropriate police organization... confidential information, if the official has reasonable grounds to believe" this and that. I said that it could be a low-level official in the CRA talking to a police organization of any description.

Have I read this section properly? There's no reference, for example, to the criminal investigations division. There's no reference to oversight by the commissioner. There's no kind of chain of command within the CRA that's alluded to. Any official of any description could speak to any police organization, and Mr. Keddy said that's where a criminal offence has been committed. It doesn't say that, of course; it says that's where that official has "reasonable grounds to believe" that there will be information to "afford evidence" that there was a crime.

My question is, was I wrong in the way I portrayed it? Is that your reading of the statute as well?

•(1715)

**The Chair:** You don't have to say whether he was wrong.

**Voices:** Oh, oh!

**Mr. Murray Rankin:** Was my interpretation correct in terms of the reading of the bill?

**The Chair:** Just clarify, perhaps, in terms of the official.

**Mr. Ted Cook:** There is a definition of official. I'm speaking about part I of the Income Tax Act. There is, I believe, a definition; we're talking about the GST provisions at the moment. There is a definition of official. It simply provides that an official is a person in the service of Her Majesty in right of Canada or a province.

What I've been speaking to is the actual process that the CRA is implementing to manage the authority that would be granted under the provision.

**The Chair:** Is this clarifying, or is this—

**Mr. Murray Rankin:** Yes, it's clarifying.

**The Chair:** Okay.

**Mr. Murray Rankin:** Mr. Cook, you talked about the general procedure where there's a search warrant issued by a justice of the peace where there's reasonable grounds to believe there's an offence. If I'm interpreting this bill correctly, that's not what would be done in the current circumstance. Am I correct?

**Mr. Ted Cook:** Sorry, I'm not sure which circumstance you're referring to.

**Mr. Murray Rankin:** If this amendment goes through.... If clause 50, which we're debating, were to go through, there would be no search warrant justice of the peace provision. It would simply be an official, as you say, anybody, being able to turn over whatever he or she thinks is reasonable grounds to believe would constitute an offence.

**Mr. Ted Cook:** No, no. It doesn't change the search warrant process. What I've explained is that very often, the kind of information that the CRA would like to turn over to the police is actually information that has been acquired in the course of executing a search warrant. Even though the information has been acquired in the course of executing a search warrant, because it's been extracted, or the import of the information has just been realized, sometime after the execution of the search warrant, the CRA is prohibited, even though it was acquired under search warrant, from providing that to a police organization.

**Mr. Murray Rankin:** Okay. Thank you.

**The Chair:** I think that's very helpful.

(Amendment negated [See *Minutes of Proceedings*])

**The Chair:** Shall clause 50 carry?

**An hon. member:** On division.

(Clause 50 agreed to on division)

**The Chair:** Colleagues, I do not have amendments for clauses 51 to 61.

**Mr. Nathan Cullen:** If you wouldn't mind, could we do clauses 51 through 55?

**The Chair:** Okay.

(Clause 51 to 55 inclusive agreed to)

(On clause 56)

**Mr. Nathan Cullen:** Just as a small note here, this is maybe one of those happy occasions where it's.... The process we're in right now is omnibus legislation, and part of the bill is being used to fix previous omnibus legislation. We're happy that once it was identified by Canadians, particularly by hospitals and by those visiting family members in hospitals that they were being taxed this way, the government had to stand down. We can only imagine, through these other hundreds of clauses in this bill, that we'll be back here next year fixing things in this fantastic piece of legislation.

We thank the government for seeing the light and the pressure from so many Canadians. So we'll be in favour, but we'll ask for a recorded vote on this one just to fully feel the moment, Chair.

**The Chair:** Okay.

I'm sure the government appreciates your description, "fantastic piece of legislation".

**An hon. member:** I'm sure they'll quote that widely.

**The Chair:** I'll go to Mr. Brison.

**Hon. Scott Brison:** Let's be very clear on what clauses 56 and 57 actually accomplish.

While clauses 58 to 60 remove the GST or HST on hospital parking, which we support, clauses 56 and 57 will have the opposite effect. In fact clauses 56 and 57 reduce the scope of an exception that allows charities to provide GST-free parking in certain cases. That's an elaborate way of saying that clauses 56 and 57 will actually have the effect of adding GST and HST to certain parking services provided by charities.

We do not support clauses 56 and 57. We view this as a tax grab on charities. We actually oppose these two amendments.

• (1720)

**The Chair:** Okay.

Do we want a recorded vote on clause 56 or clause 58?

**Mr. Nathan Cullen:** We'll hold off until clause 58 for the recorded vote.

**The Chair:** Then we'll now go to the vote on clause 56.

**An hon. member:** We'd like a recorded vote.

(Clause 56 agreed to: yeas 5; nays 4 [See *Minutes of Proceedings*])

**The Chair:** Mr. Brison, do you want a recorded vote on clause 57 as well?

**Hon. Scott Brison:** I want a recorded vote on clause 57 as well.

(Clause 57 agreed to: yeas 5; nays 4 [See *Minutes of Proceedings*])

**The Chair:** I presume you want a recorded vote on clause 58.

**Mr. Nathan Cullen:** Yes, we'll take just the one. Thank you, Chair.

(Clause 58 agreed to: yeas 9; nays 0 [See *Minutes of Proceedings*])

**The Chair:** It is unanimous.

(Clauses 59 to 61 inclusive agreed to)

**The Chair:** I want to thank our officials for part 2.

Colleagues, we'll move to part 3, amendments to the Excise Tax Act, 2001, the Excise Tax Act, and the Air Travellers Security Charge Act. This deals with clauses 62 to 90. I do not have any amendments for clauses 62 to 74. Can I group those clauses?

**Mr. Nathan Cullen:** Would you say that again?

**The Chair:** For clauses 62 to 74, there are no amendments. There's an amendment for clause 75, which is NDP-5.

**Mr. Nathan Cullen:** Yes, you can group those, Chair.

(Clauses 62 to 74 inclusive agreed to)

(On clause 75)

**The Chair:** We have amendment NDP-5.

Mr. Rankin, go ahead on amendment NDP-5.

**Mr. Murray Rankin:** Mr. Chairman, this is essentially the same amendment we sought in the other context about providing for court oversight of the transfer of confidential taxpayer information to the police. It seems to me the arguments I would make are identical to those I made earlier.

**The Chair:** Thank you, Mr. Rankin.

Mr. Brison.

**Hon. Scott Brison:** We agree with this amendment and support this amendment, consistent with the arguments we made earlier.

**The Chair:** Okay. Thank you.

**An hon. member:** Could we have a recorded vote, please?

**The Chair:** We'll have a recorded vote on amendment NDP-5.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 75 agreed to on division)

**The Chair:** Colleagues, I do not have an amendment for clauses 76 to 90. Can I group those clauses?

**Some hon. members:** Agreed.

(Clauses 76 to 90 inclusive agreed to)

• (1725)

**The Chair:** We will go to part 4 on customs tariff. This includes clauses 91 to 98. I do not have any amendments for this part and for these clauses. Can I group these clauses?

**Mr. Nathan Cullen:** We have clause 92, and then we're going to see some on division and some in favour.

**The Chair:** Okay.

(Clauses 91 and 92 agreed to)

(Clauses 93 and 94 agreed to on division)

(Clause 95 agreed to)

(Clause 96 agreed to on division)

(Clause 97 agreed to)

(Clause 98 agreed to on division)

**Mr. Nathan Cullen:** May I make a suggestion, Mr. Chair?

**The Chair:** Yes, Mr. Cullen.

**Mr. Nathan Cullen:** I think we're coming up to the clock. We're just about to get into the meat of part 4 here on FATCA.

**The Chair:** You mean part 5.

**Mr. Nathan Cullen:** Excuse me, it's part 5.

I'm not sure whether you wanted to get into part 5. You expressed the intention of just getting through part 4 today.

**The Chair:** No, I just wanted to get through part 4. So we're finished where we are.

**Mr. Nathan Cullen:** Have we made you happy, Chair? That's the most important question.

**The Chair:** Oh, absolutely; I'm very pleased with all of you.

**Voices:** Oh, oh!

**Mr. Nathan Cullen:** Are stickers in order? Do we get gold stars?

**The Chair:** Dealing with this...as you've mentioned, it's a fantastic piece of legislation.

Colleagues, we'll start with part 5 at 3:30 on Thursday.

**An hon. member:** Do we want to talk about the CRA...[*Inaudible*—*Editor*]

**The Chair:** Yes. Do you want to do that offline?

**Mr. Nathan Cullen:** Sure. Whatever works.

**The Chair:** All right. Thank you.

Colleagues, if we could have just some members...we'll talk about the meeting tomorrow, because the votes are going to interrupt it.

Thank you. The meeting is adjourned.







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